

~~SECRET~~
SECURITY INFORMATION

INDONESIA

- I. Recent reports point to continuing deterioration in Indonesia.
 - A. Plan to abolish post of armed forces chief of staff approved by cabinet and before president.
 1. Post now held by competent, anti-Communist officer.
 - B. Four Communists reportedly appointed by leftist defense minister as advisors.
 - C. Planned reorganization of army districts would reduce strength of anti-Communist commanders.
- II. Persistent reports that anti-Communist elements in army will attempt coup.
 - A. To have reasonable chance of success must act before strength further reduced by government action.
 - B. But opposition appears unorganized and leaderless. -1-

~~SECRET~~

~~SECRET~~
SECURITY INFORMATION

III. Chairman of major opposition party, moderate Moslem group, expects crisis in about a month.

A. Anticipates government attempt to arrest opposition leaders.

B. Believes attempt would touch off nation-wide revolt.

IV. Meanwhile, autonomous rebellion in North Sumatra still not under government's control and threatens to expand down East Coast of Sumatra.

A. Separatist movements elsewhere believed gaining strength, particularly in Celebes.

V. Unconfirmed report states Vice President Nixon to be approached for 150 million dollar loan to prevent Indonesia's turning to Communist China.

~~SECRET~~